

Interior

| | | | | | | | | | | | | | | | | | | | |
|--|--|---------------|-----------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|--------------|----------------|--------------|
| | | 2011 | | | | | | | | | | | | | | | | | |
| | | NECA Estimate | | | | | | | | | | | | | | | | | |
| Special Access | | \$ | 1,155,804 | | | | | | | | | | | | | | | | |
| Local Switching & Information Surcharge | | \$ | 2,612,920 | | | | | | | | | | | | | | | | |
| Transport | | \$ | 207,323 | | | | | | | | | | | | | | | | |
| CCL | | \$ | 2,469,919 | | | | | | | | | | | | | | | | |
| B & C | | \$ | - | | | | | | | | | | | | | | | | |
| Total | | \$ | 6,445,966 | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | |
| | Effective Date | CAF | Year 1 | Year 1 | Year 2 | Year 2 | Year 3 | Year 3 | Year 4 | Year 4 | Year 5 | Year 5 | Year 6 | Year 6 | Year 7 | Year 7 | Year 8 | Year 8 | |
| | | Baseline | Baseline | Reduction | Baseline | Reduction | Baseline | Reduction | Baseline | Reduction | Baseline | Reduction | Baseline | Reduction | Baseline | Reduction | Baseline | Reduction | |
| <u>Base for CAF</u> | | | | | | | | | | | | | | | | | | | |
| Interstate switched access revenue requirement | | \$ | 2,820,243 | | | | | | | | | | | | | | | | |
| Intrastate terminating access | | \$ | - | | | | | | | | | | | | | | | | |
| Intrastate dedicated transport (Part 51.903(j)) (Note 3) | | \$ | 223,426 | | | | | | | | | | | | | | | | |
| <u>Reciprocal Compensation Net</u> | | | | | | | | | | | | | | | | | | | |
| Revenues | | \$ | - | | | | | | | | | | | | | | | | |
| Expenses | | \$ | - | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | |
| 5% Reduction in CAF Baseline Recovery (Note 1) | 7/1/2012 | \$ | 3,043,669 | \$ 2,891,486 | \$ (76,092) | \$ 2,746,911 | \$ (144,574) | \$ 2,609,566 | \$ (137,346) | \$ 2,479,087 | \$ (130,478) | \$ 2,355,133 | \$ (123,954) | \$ 2,237,376 | \$ (117,757) | \$ 2,125,508 | \$ (111,869) | \$ 2,019,232 | \$ (106,275) |
| | | | | | | | | | | | | | | | | | | | |
| Corporate Operations Cap impact on ICLS | 1/1/2012 | | | \$ (153,000) | | \$ - | | \$ - | | \$ - | | \$ - | | \$ - | | \$ - | | \$ - | |
| New USF Algorithm to modify limitation on corp ops expense | 1/1/2012 | | | \$ (50,000) | | \$ - | | \$ - | | \$ - | | \$ - | | \$ - | | \$ - | | \$ - | |
| Reduction in USF for capped 2010 cost per loop (Note 2) | 7/1/2012 | | | \$ - | | \$ - | | \$ - | | \$ - | | \$ - | | \$ - | | \$ - | | \$ - | |
| Safety Net Additive Impact | 1/1/2012 | | | \$ - | | \$ - | | \$ - | | \$ - | | \$ - | | \$ - | | \$ - | | \$ - | |
| Revision to Parent Trap Rule | 1/1/2012 | | | \$ - | | \$ - | | \$ - | | \$ - | | \$ - | | \$ - | | \$ - | | \$ - | |
| | | | | | | | | | | | | | | | | | | | |
| | ICC Year over Year Reduction | | | \$ (76,092) | | \$ (144,574) | | \$ (137,346) | | \$ (130,478) | | \$ (123,954) | | \$ (117,757) | | \$ (111,869) | | \$ (106,275) | |
| | USF Year over Year Reduction | | | \$ (203,000) | | \$ - | | \$ - | | \$ - | | \$ - | | \$ - | | \$ - | | \$ - | |
| | Total Year over Year Reduction | | | \$ (279,092) | | \$ (144,574) | | \$ (137,346) | | \$ (130,478) | | \$ (123,954) | | \$ (117,757) | | \$ (111,869) | | \$ (106,275) | |
| | | | | | | | | | | | | | | | | | | | |
| | ICC Cumulative Reduction from Baseline | | | \$ (76,092) | | \$ (220,666) | | \$ (358,012) | | \$ (488,490) | | \$ (612,444) | | \$ (730,201) | | \$ (842,070) | | \$ (948,345) | |
| | USF Cumulative Reduction from Baseline | | | \$ (203,000) | | \$ (203,000) | | \$ (203,000) | | \$ (203,000) | | \$ (203,000) | | \$ (203,000) | | \$ (203,000) | | \$ (203,000) | |
| | Total Cumulative Reduction from Baseline | | | \$ (279,092) | | \$ (423,666) | | \$ (561,012) | | \$ (691,490) | | \$ (815,444) | | \$ (933,201) | | \$ (1,045,070) | | \$ (1,151,345) | |

Note 1: Year 1 reduction reflects half-year reduction due to 7/1/2012 effective date.
Note 2: Year 1 reduction reflects half-year reduction due to 7/1/2012 effective date.
Note 3: Transitional intrastate access service means:
Terminating end office access service that was subject to intrastate access rates as of December 31, 2011
Terminating Tandem-Switched Transport Access Service that was subject to intrastate access rates as of December 31, 2011
Originating and terminating Dedicated Transport Access Service that was subject to intrastate access rates as of December 31, 2011